

Gloucester Retirement Board

Approved October 24, 2002

Preface

Pursuant to Memo #15/2002 of the Public Employee Retirement Administration Commission ("PERAC") dated March 7, 2002 which required Retirement Boards of the Commonwealth of Massachusetts to submit proposed Retirement Board Travel Supplemental Regulations which incorporate PERAC's mandated travel guidelines, the Gloucester Retirement Board has adopted the following Supplemental Regulations to be effective May 1, 2002.

Introduction

For the purposes of,

- (1) maintaining its fiduciary obligations to the members and beneficiaries of the Gloucester Retirement System ("System,") and,
- (2) in recognition that continuing education and training of Board Members and Staff are essential to maintaining that fiduciary obligation, and,
- (3) in the interests of continuing the protection and preservation of the assets of the System, and,
- (4) after review of Opinion EC-COI-00-2 issued by the State Ethics Commission determining that municipal retirement Board Members are "municipal employees" subject to the provisions of G.L. c. 268A, and,
- (5) in furtherance of the provisions of 840 CMR 1.00 et seq., the Gloucester Retirement Board ("Board,") hereby adopts the following Education and Travel policy, to be effective as of May 1, 2002.

General Standards

1. Board Members and staff shall, (a) be familiar with and discharge their duties in accordance with 840 CMR 1.01; (b) avoid actual and potential conflicts of interest; (c) conduct themselves at all times in the best interests of the members and beneficiaries of the System; (d) strive to defray the reasonable expenses of administering the System, and (e) be familiar with laws, rulings, regulations, decisions and opinions of the Public Employee Retirement Administration Commission and the State Ethics Commission relating to conflict of interest.

Education, Travel and Travel Related Expenditures

1. The Board shall pay for or make reimbursement to Board Members and staff for all conference registrations, travel, lodging and related expenses, except such expenses which are related to speaking engagements as set forth below in the section designated "Payments or Reimbursements for Expenses by Third Parties.
2. Educational opportunities, conferences, seminars and other events which require travel and related expenses are to be specifically identified and approved in advance by the Board. Board approval shall be deemed to consist of placing all proposed educational opportunities, conferences,

seminars and other events which require travel and related expenses on the agenda of a Board meeting, discussion in open session, and approval by majority vote of the Board Members present and voting. The minutes of the Board's meeting shall reflect the Board's action and the extent of the Board's authorization. The Board shall approve an annual expense appropriation for education and travel. At the time of said appropriation, the Board shall strive to identify and approve with as much specificity as possible, those educational opportunities, conferences and seminars to be attended by the Board members.

3. The nature and purpose of the educational opportunities, conferences, seminars and other events, required travel, and estimated cost shall be outlined on a travel authorization form approved by the Board. Board Members and staff submitting such form shall certify that the listed expenses were incidental to the approved educational opportunity and travel.
4. Brochures, pamphlets, mailers or other documents providing information relating to the educational opportunities, conferences, seminars and other events or other presentations should accompany the request for travel where available.
5. A discussion of the benefits of the presentation, conference, seminar or other event should take place at the next available Board meeting, which shall include a statement for the Board minutes describing the presentation, conference or seminar. Written materials or other educational materials obtained at a conference or seminar should be brought to the Board meeting for review and sharing with non-attending Board Members and staff.

Required Documentation for Reimbursement

1. Requests for reimbursement should be completed and properly approved after incurring any travel, transportation or meal or other travel related expenses and before reimbursement takes place. Original itemized receipts must be submitted for all expenses including transportation, lodging, meals and other expenses incidental to travel. Receipts are required for individual expenses over \$10.00. Travel-related expenses that are under \$10.00 (such as gratuities) should be fully described and reimbursed based on the traveler's certification that the expenses were necessary and incidental to the approved travel. Any travel-related expenditures which have not been properly documented or approved or are not in conformity with the Board's regulations must be rejected or adjusted. Reimbursement shall only be made to the person who actually made payment for the expense.
2. *Reimbursement Request Forms* must be signed by the person seeking reimbursement and signed under the pains and penalties of perjury. Requests for reimbursement must be submitted within a reasonable time after the expenses are incurred, but no later than within 30 days.

Travel Arrangements

1. The Board Executive Secretary or other designated staff person shall assist the Board members and staff in registering for conferences and seminars, in making travel arrangements and in completing authorization and reimbursement forms. When making travel arrangements, government rates or business rates will be requested.
2. An extended stay may be authorized if the net cost to the Board will be lower. For example, if airfare is lowered by staying an extra day and the cost of accommodations and meals for that extra day result in a net savings to the Board, an extended stay can be authorized.

Transportation

1. Transportation by airline, train, bus, automobile rental, taxi or other form or public conveyance (as cost effective) may be utilized. Transportation should be at the lowest fare available, general economy/coach fare. Payment for airline club memberships are prohibited.
2. Use of rental vehicles is authorized but such rental vehicle must be hired from a national rental agency. The Board Secretary or other designated staff person shall assist in reserving and negotiating rates for rental vehicles. Standard class cars are to be preferred. Optional insurance coverage for rental cars must be accepted.
3. Any motor vehicle accidents which occur while using a rental vehicle while on Board-approved travel must be reported as soon as practicable, in writing to the appropriate authorities, with copies of all such reports provided to the Board.
4. Reimbursements for fines or other expenses incurred as a result of traffic violations while on Board- approved travel are prohibited.
5. Board Members and staff will be reimbursed for approved use of their personal motor vehicles when such usage is necessary, at the IRS allowed rate which is currently 32.5 cents per mile. Parking and tolls will also be reimbursed.

Lodging

1. The Board Executive Secretary or designated staff member shall assist Board Members in making reservations for accommodations, which should be in advance of the conference or seminar. The attendee will be responsible to verify that the rate charged is the rate negotiated.

Meals

1. The maximum daily reimbursable amount for the cost of meals while on Board authorized travel will be \$50.00. The Board may, however, make allowances for reimbursement in excess of the allowable amount for travel to high-cost locations.
2. In circumstances where the registration fees for a conference or seminar include the cost of lodging and meals, no further reimbursement should be allowed for lodging and meals already included in the cost of registration.

3. If reimbursement is sought for the meal expenses of other parties, the business purpose of the meeting, the said parties and their affiliation shall be identified.

Other Reimbursable and Non-Reimbursable Expenses

1. Travelers will be reimbursed for gratuities paid in accordance with local custom, Board or business-related telephone calls, one personal call per day, Internet connections charges, costs for faxing, and costs for necessary copying.
2. Travelers will not be reimbursed for personal expenses or services, for example, in-room movies, mini-bar charges, gym fees, entertainment or recreational expenses, laundry and dry cleaning.
3. Reimbursement for alcoholic beverages is prohibited.

Cash Advances

1. Cash advances in connection with anticipated expenses are prohibited.

Board Credit Cards

Credit cards will be issued in the names of the Board Chairman and the Executive Secretary, each with a credit line of \$1,250.00 for a total line of credit not to exceed \$2,500.00. Credit card bills must be issued directly to the Retirement Office and users must provide receipts for all expenses included in the statement. If receipts are not provided, the user will immediately reimburse the Board for these expenses.

Credit cards are not to be used to purchase supplies or other items that the Board or the staff uses on a regular basis.

Personal use of the Board's credit card is prohibited.

Personal Travel Combined with Board Related Travel

1. If personal travel is combined with Board-related travel, the personal portion of the trip will be clearly identified and paid for by the traveler. Travel expenses or any other expenses incurred by a spouse, relative, friend or other individual accompanying a Board Member or Board staff must be considered to be personal travel and will not be considered an expense of the Board.

Payments or Reimbursements for Expenses by Third Parties

1. Board Members or Staff Members are prohibited from providing to or receiving anything of substantial value either "directly or indirectly" from any person, firm, partnership or other entity which may be reasonably expected to seek to do business with, or is seeking to do business with, or presently is doing business with the Retirement Board or any person, firm or other entity that solicits or makes referrals or which may be reasonably expected to solicit or make referrals of any client on behalf of such a person, firm, partnership or other entity.

2. In instances where a Board Member or Staff participates in a legitimate speaking engagement, the Retirement Board shall pay all costs and expenses related to such speaking engagement, provided, that the Board Member or Board Staff Member complies with all of the Board's education and travel regulations
3. The Retirement Board may accept reimbursement for such travel-related expenses of the Board Member or a member of the Board's staff from the third party, only under the following limited circumstances:
 - A. Board Members or staff may participate in legitimate speaking engagements in connection with their position on the Retirement Board or as a member of the Board's staff and the Board, but not the individual Board Member or staff, may accept reimbursements from third parties necessary to cover travel-related costs for necessary to cover travel-related costs for such engagements.
 - B. Acceptance of an honorarium or any other form of compensation is strictly prohibited.
 - C. To be considered a legitimate speaking engagement, the presentation must be formally scheduled on the agenda of a conference, seminar or other public retirement event.
 - D. The speaking engagement must be scheduled in advance of the Board Member's or staff member's arrival at the event.
 - E. The presentation must be before an organization that would normally have outside speakers participating at such an event.
 - F. The presentation cannot be perfunctory, but should significantly contribute to the event, taking into account such factors as the length of speech or presentation, the size of the audience, and the extent to which the speaker is providing substantive or unique information or view-points.
 - G. The Retirement Board can be reimbursed by a third party for expenses only to the extent necessary for making the speech or presentation.

Under no circumstances can a Board Member or staff receive reimbursement or any other payment or compensation from a third party.

Violation of These Guidelines or Board Travel Regulations

The Commission will review all circumstances pertaining to travel in accordance with the provisions of these Guidelines.

Any person or entity that violates these Guidelines or Retirement Board regulations adopted pursuant to these Guidelines and approved by the Commission shall be deemed to have violated the provisions of 840 CMR 17.00 and shall be subject to removal as a qualified investments manager or

consultant pursuant to 840 CMR 17.04(10). In addition, the Commission shall not grant an exemption pursuant to 840 CMR 19.02 or a qualification pursuant to 840 CMR 26.04 if any person or entity that has violated these Guidelines or Retirement Board regulations adopted pursuant to these Guidelines is the subject of the filing pursuant to those provisions.